

CITY OF CARBONDALE
Carbondale, Kansas

FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2017

CITY OF CARBONDALE

TABLE OF CONTENTS Year ended December 31, 2017

	<u>Statements</u>	<u>Page</u>
Independent Auditor's Report		1
Financial Statement		
Summary Statement of Receipts, Expenditures and Unencumbered Cash	1	3
Notes to Financial Statement		5
Regulatory Basis Supplementary Information	<u>Schedule</u>	
Summary of Expenditures – Actual and Budget	1	12
Schedule of Receipts and Expenditures – General Fund	2a	13
Schedule of Receipts and Expenditures – Employee Benefits	2b	15
Schedule of Receipts and Expenditures – City 1% Sales Tax	2c	16
Schedule of Receipts and Expenditures – Special Highway Fund	2d	17
Schedule of Receipts and Expenditures – Law Enforcement	2e	18
Schedule of Receipts and Expenditures – Special Parks & Recreation Fund	2f	19
Schedule of Receipts and Expenditures – Special Purpose Fund	2g	21
Schedule of Receipts and Expenditures – Bond and Interest Fund	2h	21
Schedule of Receipts and Expenditures – Capital Projects	2i thru 2p	22
Schedule of Receipts and Expenditures – Water	2q	30
Schedule of Receipts and Expenditures – Sewer	2r	32
Schedule of Receipts and Expenditures – Trash	2s	34
Related Municipal Entity		
Schedule of Receipts and Expenditures – Library Fund	2t and 2u	35
Schedule of Receipts and Expenditures – Recreation Fund	2v	37

INDEPENDENT AUDITOR'S REPORT

City Council
City of Carbondale
Carbondale, Kansas

Report on Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Carbondale, Kansas, (primary government only) as of and for the year ended December 31, 2017 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note C of the financial statement, the financial statement is prepared by the City of Carbondale to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of City of Carbondale as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Carbondale as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

Report on Regulatory Basis Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Prior Year Comparative

The 2016 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2017 basic financial statement upon which we have rendered an unmodified opinion dated August 15, 2018. The 2016 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2016 comparative information is the responsibility of management and was derived from and related directly to the underlying account and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note C.

Agler & Gaeddert, Chartered

Agler & Gaeddert, Chartered
August 15, 2018

City of Carbondale, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2017

	Beginning Unencumbered Cash Balance Restated	Prior Year Cancelled Encumbrances
Governmental type funds		
General	\$ 445,650	\$ 0
Special purpose		
Swimming pool	106,849	0
Court bond	6,987	0
Equipment reserve	93,499	0
Police equipment	39,532	0
Library	0	0
Recreation	0	0
Special highway	19,276	0
Capital projects		
Improvement reserve	97,939	0
Police special reserve	1	0
Community development block grant	1	0
Water replacement reserve	270,771	0
Sewer replacement reserve	174,678	0
Street reserve	100,359	0
Water grant	15	0
Swimming pool bond reserve	124,132	0
Business funds		
Water	269,123	0
Sewer	185,977	0
Trash	25,437	0
Total primary government	<u>1,960,226</u>	<u>0</u>
Related Municipal Entities		
Library	29,734	0
Library Building	50,239	0
Recreation	4,109	0
Total related municipal entities	<u>84,082</u>	<u>0</u>
Total	\$ <u><u>2,044,308</u></u>	\$ <u><u>0</u></u>
Composition of cash		
First Security Bank - General	\$ 1,126,210	
First Security Bank - Payroll	4,024	
First Security Bank - Police Special Account	1	
First Security Bank - Court Bond	7,054	
First Security Bank - Water Grant	15	
First Security Bank - CDBG	1	
First Security Bank - Improvement Reserve	209,602	
First Security Bank - Equipment Reserve	85,311	
First Security Bank - Certificates of deposit	70,000	

The accompanying notes are an integral part of this statement.

Statement 1

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ 648,360	\$ 528,362	\$ 565,648	\$ 1,918	\$ 567,566
125,875	96,930	135,794	0	135,794
19,109	19,042	7,054	0	7,054
26,834	35,023	85,310	0	85,310
16,056	27,910	27,678	0	27,678
40,671	40,671	0	0	0
26,213	26,213	0	0	0
37,301	54,996	1,581	0	1,581
38,700	54,621	82,018	127,584	209,602
0	0	1	0	1
242,040	242,040	1	0	1
15,751	8,736	277,786	0	277,786
157,865	100,466	232,077	0	232,077
12,651	0	113,010	0	113,010
0	0	15	0	15
10,186	0	134,318	0	134,318
565,980	600,716	234,387	0	234,387
179,360	200,437	164,900	0	164,900
74,104	73,534	26,007	0	26,007
<u>2,237,056</u>	<u>2,109,697</u>	<u>2,087,585</u>	<u>129,502</u>	<u>2,217,087</u>
86,669	89,372	27,031	0	27,031
220,519	43,373	227,385	0	227,385
70,712	68,473	6,348	0	6,348
<u>377,900</u>	<u>201,218</u>	<u>260,764</u>	<u>0</u>	<u>260,764</u>
\$ <u>2,614,956</u>	\$ <u>2,310,915</u>	\$ <u>2,348,349</u>	\$ <u>129,502</u>	\$ <u>2,477,851</u>
First Security Bank - Police Equipment				\$ 27,678
First Security Bank - Sewer Replacement				232,077
First Security Bank - Water Replacement				207,786
First Security Bank - Swim Pool Bond Reserve				134,318
First Security Bank - Street Reserve				113,010
First Security Bank - Recreation				2,049
First Security Bank - Recreation				4,299
First Security Bank - Library				254,416
Total cash balance				<u>2,477,851</u>
Less Agency cash per Schedule 3				0
Total reporting entity (excluding agency funds)				<u><u>\$ 2,477,851</u></u>

The accompanying notes are an integral part of this statement.

City of Carbondale, Kansas

NOTES TO FINANCIAL STATEMENT December 31, 2017

NOTE A. MUNICIPAL REPORTING ENTITY

The City of Carbondale is a municipal corporation governed by a mayor-council form of government with five member council. This financial statement presents the City of Carbondale (the municipality) primary government only. The component units if any are not included in these financial statements.

Related Municipal Entities

The Library provides reading and research materials for the residents of the City. The Board members for the Library are appointed by the City Council. Because the Library is not a separate taxing entity by state statutes, the City levies taxes for the Library's operations. The financial data of the Library is reported as a related municipal entity in Schedule 2 of the report.

The Recreation Commission provides recreational facilities and services for the residents of the City. The Board members for the Recreation Commission are appointed by the City Council. The Commission is not a separate taxing entity and therefore the City levies taxes for the Commission's operations. The financial data of the Recreation Commission is reported as a related municipal entity in Schedule 2 of the report.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the City are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City potential could have the following types of funds.

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenues sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipality reporting entity scholarship funds, etc). The City does not have any of these type funds at the present time.

Agency Fund – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, tax collection accounts, etc.).

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All

City of Carbondale, Kansas

NOTES TO FINANCIAL STATEMENT December 31, 2017

NOTE C. BASIS OF ACCOUNTING - continued

recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

City of Carbondale has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

NOTE D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

City of Carbondale, Kansas

NOTES TO FINANCIAL STATEMENT December 31, 2017

NOTE D. BUDGETARY INFORMATION - continued

A legal operating budget is not required for the following funds:

Court Bond Fund Equipment Reserve Fund Police Equipment Fund Improvement Fund
Police Special Reserve Fund Community Development Block Grant Water Replacement Reserve
Sewer Replacement Reserve Street Reserve Water Fund Grants Swimming Pool Bond Reserve

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board.

NOTE E. CASH AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of credit risk - State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City has no investments other than certificates of deposit.

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year.

At December 31, 2017, the carrying amount of the City's book balance was \$2,217,087 and the bank balance was \$2,252,424. The bank balance was held by one bank resulting in a concentration of credit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$250,000 was covered by federal depository insurance and \$2,002,424 was collateralized with securities held by the pledging financial institution's agents in the City's name.

At December 31, 2017, the Library's carrying amount of deposits was \$254,416 and the bank balance was \$258,439. The difference between the carrying amount and the bank balance was outstanding checks and outstanding deposits. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by FDIC insurance and \$8,439 was collateralized with securities held by the pledging financial institution's agents in the Library's name.

At December 31, 2017, the Recreation's carrying amount of deposits was \$6,348 and the bank balance was \$6,348. The bank balance was held by one bank resulting in a concentration of credit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$6,348 was covered by FDIC insurance.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The City had no such investments at year end.

City of Carbondale, Kansas

NOTES TO FINANCIAL STATEMENT December 31, 2017

NOTE. F LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2017, were as follows:

Debt Issued	Interest	Date of Issue	Amount	Maturity
General Obligation Bonds: Series 2015	.85 - 3.00%	8/31/2015	\$ 2,375,000	2/1/2026
Revenue Bonds: Series 2015	.75 - 3.75%	11/18/2015	925,000	2/15/2030
Loan Agreement:				
Kansas Public Water Pollution Control Revolving Fund	2.83%	8/10/2015	3,181,800	3/01/2035
	Beginning of			End of
Debt Issued	Year		Reductions/	Year
	Balance	Additions	Payments	Balance
General Obligation Bonds: Series 2015	\$ 2,110,000	\$ 0	\$ 270,000	\$ 1,840,000
Revenue Bonds: Series 2015	855,000	0	55,000	800,000
Loan Agreement:				
Kansas Public Water Pollution Control Revolving Fund	3,181,500	0	200	3,181,300
	\$ 6,146,500	\$ 0	\$ 325,200	\$ 5,821,300
Interest & Fees				
	2018	2019	2020	2021
General obligation bonds	\$ 270,000	\$ 275,000	\$ 240,000	\$ 245,000
Revenue bonds	55,000	55,000	55,000	55,000
Kansas Water Pollution Control	200	79,383	161,948	166,564
Total principal	\$ 325,200	\$ 409,383	\$ 456,948	\$ 466,564
	2023-2027	2028-2032	2033-2036	Total
General obligation bonds	\$ 600,000	\$ 0	\$ 0	\$ 1,840,000
Revenue bonds	245,000	280,000	0	800,000
Kansas Water Pollution Control	932,633	1,073,326	595,936	3,181,300
Total principal	\$ 1,777,633	\$ 1,353,326	\$ 595,936	\$ 5,821,300
Interest:				
	2018	2019	2020	2021
General obligation bonds	\$ 41,125	\$ 36,828	\$ 31,888	\$ 26,931
Revenue bonds	23,188	22,225	21,125	19,887
Kansas Water Pollution Control	90,035	90,299	90,024	86,641
Total interest	\$ 154,348	\$ 149,352	\$ 143,037	\$ 133,459
	2023-2027	2028-2032	2033-2036	Total
General obligation bonds	\$ 35,382	\$ 0	\$ 0	\$ 193,666
Revenue bonds	65,542	12,194	0	182,674
Kansas Water Pollution Control	336,156	199,359	46,956	1,021,495
Total interest	\$ 437,080	\$ 211,553	\$ 46,956	\$ 1,397,835

City of Carbondale, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2017

NOTE G. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	Equipment Reserve	K.S.A. 12-825d	\$ 15,000
General	Improvement Reserve	K.S.A. 12-825d	27,000
General	Police Equipment Reserve	K.S.A. 12-825d	15,500
General	Street Reserve	K.S.A. 12-825d	12,500
Sewer	Sewer Reserve	K.S.A. 68-590	50,000
Water	Water replacement reserve	K.S.A. 68-590	15,000
Swimming Pool	Swimming Pool Reserve	K.S.A. 68-590	10,000

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS

Other Post Employment Benefits: As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Compensated Absences: Full time employees may accrue vacation at varying intervals, according to length of service, carryover is limited to 40 hours. Vacation is paid upon resignation, retirement or when taken and recognized as an expense at that time.

Sick leave accrues at the rate of 4 hours per pay period for full-time employees. Accrued sick leave will not be paid upon termination or retirement. The City's policy is to record sick leave expense when paid.

NOTE I. DEFINED BENEFIT PENSION PLAN

Plan description. The City of Carbondale participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publically available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

City of Carbondale, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2017

NOTE I. DEFINED BENEFIT PENSION PLAN - continued

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period January 1, 2017 through September 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for KPERS for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$20,233 for KPERS for the year ended December 31, 2017.

Net Pension Liability At December 31, 2017, the City of Carbondale's proportionate share of the collective net pension liability reported by KPERS was \$187,358. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City of Carbondale's proportion of the net pension liability was based on the ratio of the City of Carbondale's contributions to KPERS, relative to the total employer and nonemployer contributions of the local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE J. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE K. OTHER INFORMATION

Ad Valorem Tax Revenue: The determination of assessed valuation and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's office annually determines assessed valuation and the County Clerk spreads the annual assessment to the taxing units. One-half of the property taxes are due December 20 and distributed to the City by January 20 to finance a portion of the current year's budget. The second half is due May 20 and distributed to the City by June 5. The City draws available funds from the County Treasurer's office at designated times throughout the year.

Reimbursed Expenses: The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Compliance with Kansas Statutes: References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the municipality.

The City has budget violations in the Library and Recreation Funds for December 3, 2017. The City is not aware of any other statute violations.

NOTE L. SUBSEQUENT EVENTS

Subsequent Events: The City evaluated subsequent events through August 15, 2018, the date the financial statements were available to be issued. No subsequent events were identified which require disclosure.

REGULATORY BASIS
SUPPLEMENTARY INFORMATION

City of Carbondale, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
(Budgeted Funds Only)
For the Year Ended December 31, 2017

	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
General	\$ 918,467	\$ 0	\$ 918,467	\$ 528,362	\$ (390,105)
Special purpose					
Swimming pool	198,212	0	198,212	96,930	(101,282)
Library	40,419	0	40,419	40,671	252
Recreation	25,885	0	25,885	26,213	328
Special highway	55,349	0	55,349	54,996	(353)
Business funds					
Water	804,751	0	804,751	600,716	(204,035)
Sewer	281,380	0	281,380	200,437	(80,943)
Trash	102,429	0	102,429	73,534	(28,895)

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes				
Real Estate and Property Taxes	\$ 329,880	\$ 284,230	\$ 294,326	\$ (10,096)
Motor Vehicle Taxes	0	50,373	55,761	(5,388)
Delinquent Taxes	0	19,827	7,600	12,227
Sales tax	178,229	195,745	184,000	11,745
Subtotal	508,109	550,175	541,687	8,488
Intergovernmental				
Court	20,508	15,749	25,791	(10,042)
Subtotal	20,508	15,749	25,791	(10,042)
Licenses and permits				
Dog licenses	440	495	0	495
City licenses	2,805	1,610	1,920	(310)
Zoning fees	130	225	0	225
Lake lease	4,094	0	0	0
Franchise fees	45,831	45,561	48,140	(2,579)
Hall rental	795	850	715	135
Subtotal	54,095	48,741	50,775	(2,034)
Reimbursed expenses	21,085	33,071	18,566	14,505
Set-off payments	39	0	0	0
Interest	1,193	624	1,614	(990)
Subtotal	22,317	33,695	20,180	13,515
Total receipts	605,029	648,360	\$ 638,433	\$ (2,149)
Expenditures				
General operating	100,291	97,241	\$ 264,407	\$ (167,166)
General Police	150,829	170,326	221,845	(51,519)
General Streets	130,075	121,997	236,162	(114,165)
General street lighting	17,789	16,023	17,189	(1,166)
Fish and lakes	6,138	7,528	7,810	(282)
Animal control	98	250	1,100	(850)
Capital Outlay	0	0	122,588	(122,588)
City Park	4,082	3,149	12,495	(9,346)
Court	15,184	17,943	19,270	(1,327)
Compliance	3,900	3,950	0	3,950
Donations	3,250	4,096	0	4,096

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	2017			Variance Over (Under)
	2016 Actual	Actual	Budget	
Expenditures - continued				
General zoning	\$ 3,453	\$ 3,566	\$ 3,525	\$ 41
General maintenance	5,050	9,658	9,252	406
General recreation	2,668	2,653	2,824	(171)
Other	(532)	(18)	0	(18)
Operating transfers	<u>59,500</u>	<u>70,000</u>	<u>0</u>	<u>70,000</u>
Total expenditures	<u>501,775</u>	<u>528,362</u>	<u>\$ 918,467</u>	<u>\$ (390,105)</u>
Receipts over (under) expenditures	103,254	119,998		
Unencumbered cash, beginning cash	<u>342,396</u>	<u>445,650</u>		
Unencumbered cash, ending cash	<u>\$ 445,650</u>	<u>\$ 565,648</u>		

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 2b

SPECIAL PURPOSE FUND
SWIMMING POOL
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

		<u>2017</u>		
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Taxes				
Sales tax	\$ 110,455	\$ 125,702	\$ 109,289	\$ 16,413
Total taxes	110,455	125,702	109,289	16,413
Use of money and property				
Interest on idle funds	401	173	350	(177)
Total receipts	<u>110,856</u>	<u>125,875</u>	<u>\$ 109,639</u>	<u>\$ 16,236</u>
Expenditures				
Pool Maintenance and repair	8,012	290	\$ 15,000	\$ (14,710)
Capital Outlay	0	4,687	87,268	(82,581)
Chemical	0	2,743	7,000	(4,257)
Bond interest	88,140	78,944	78,944	0
Other	0	266	0	266
Operating transfers	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total expenditures	<u>96,152</u>	<u>96,930</u>	<u>\$ 198,212</u>	<u>\$ (101,282)</u>
Receipts over (under) expenditures	14,704	28,945		
Unencumbered cash, beginning cash	<u>92,145</u>	<u>106,849</u>		
Unencumbered cash, ending cash	\$ <u>106,849</u>	\$ <u>135,794</u>		

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 2c

SPECIAL PURPOSE FUND
COURT BOND FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	<u>2016</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Receipts		
Court fees	\$ 27,010	\$ 19,109
Total receipts	<u>27,010</u>	<u>19,109</u>
Expenditures		
Court costs	<u>25,604</u>	<u>19,042</u>
Total expenditures	<u>25,604</u>	<u>19,042</u>
Receipts over (under) expenditures	1,406	67
Unencumbered cash, beginning cash	<u>5,581</u>	<u>6,987</u>
Unencumbered cash, ending cash	\$ <u><u>6,987</u></u>	\$ <u><u>7,054</u></u>

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 2d

SPECIAL PURPOSE FUND
EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	<u>2016</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Receipts		
Intergovernmental		
Other	\$ 0	\$ 11,719
Use of money and property		
Interest on idle funds	302	115
Operating transfers		
Transfers in	<u>15,000</u>	<u>15,000</u>
Total receipts	<u>15,302</u>	<u>26,834</u>
 Expenditures		
Contractual services	<u>5,535</u>	<u>35,023</u>
Total expenditures	<u>5,535</u>	<u>35,023</u>
Receipts over (under) expenditures	9,767	(8,189)
Unencumbered cash, beginning cash	<u>83,732</u>	<u>93,499</u>
Unencumbered cash, ending cash	\$ <u><u>93,499</u></u>	\$ <u><u>85,310</u></u>

City of Carbondale, Kansas

Schedule 2e

SPECIAL PURPOSE FUND
POLICE EQUIPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	<u>2016</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Receipts		
Intergovernmental		
Other	\$ 1,393	\$ 327
Use of money and property		
Interest on idle funds	170	229
Transfers In	<u>7,500</u>	<u>15,500</u>
Total taxes	<u>9,063</u>	<u>16,056</u>
Expenditures		
Equipment	<u>0</u>	<u>27,910</u>
Total expenditures	<u>0</u>	<u>27,910</u>
Receipts over (under) expenditures	9,063	(11,854)
Unencumbered cash, beginning cash	<u>30,469</u>	<u>39,532</u>
Unencumbered cash, ending cash	\$ <u><u>39,532</u></u>	\$ <u><u>27,678</u></u>

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 2f

SPECIAL PURPOSE FUND
LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes	\$ 38,354	\$ 40,671	\$ 40,419	\$ 252
Total receipts	38,354	40,671	40,419	252
Expenditures				
Appropriations	38,354	40,671	\$ 40,419	\$ 252
Total expenditures	38,354	40,671	\$ 40,419	\$ 252
Receipts over (under) expenditures	0	0		
Unencumbered cash, beginning cash	0	0		
Unencumbered cash, ending cash	0	\$ 0		

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 2g

SPECIAL PURPOSE FUND
RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	<u>2017</u>			<u>Variance Over (Under)</u>
	<u>2016 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ <u>25,607</u>	\$ <u>26,213</u>	\$ <u>25,885</u>	\$ <u>328</u>
Total receipts	<u>25,607</u>	<u>26,213</u>	<u>\$ 25,885</u>	<u>\$ 328</u>
 Expenditures				
Appropriations	<u>25,607</u>	<u>26,213</u>	\$ <u>25,885</u>	\$ <u>328</u>
Total expenditures	<u>25,607</u>	<u>26,213</u>	<u>\$ 25,885</u>	<u>\$ 328</u>
Receipts over (under) expenditures	0	0		
Unencumbered cash, beginning cash	<u>0</u>	<u>0</u>		
Unencumbered cash, ending cash	\$ <u>0</u>	\$ <u>0</u>		

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 2h

SPECIAL PURPOSE FUND
SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

		<u>2017</u>		
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Taxes				
State gas tax	\$ 37,158	\$ 37,180	\$ 36,470	\$ 710
Use of money and property				
Interest on idle funds	285	121	285	(164)
Total receipts	<u>37,443</u>	<u>37,301</u>	<u>\$ 36,755</u>	<u>\$ 546</u>
 Expenditures				
Street Maintenance	<u>52,198</u>	<u>54,996</u>	<u>\$ 55,349</u>	<u>\$ (353)</u>
Total expenditures	<u>52,198</u>	<u>54,996</u>	<u>\$ 55,349</u>	<u>\$ (353)</u>
Receipts over (under) expenditures	(14,755)	(17,695)		
Unencumbered cash, beginning cash	<u>34,031</u>	<u>19,276</u>		
Unencumbered cash, ending cash	<u>\$ 19,276</u>	<u>\$ 1,581</u>		

City of Carbondale, Kansas**Schedule 2i**

CAPITAL PROJECTS
IMPROVEMENT RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	<u>2016</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Receipts		
Intergovernmental		
Other	\$ 0	\$ 11,422
Use of money and property		
Interest on idle funds	683	278
Transfers In	<u>27,000</u>	<u>27,000</u>
Total cash receipts	<u>27,683</u>	<u>38,700</u>
Expenditures		
Kitchen	11,350	8,135
City Park	93,368	28,379
Maintenance and Repairs	<u>23,588</u>	<u>18,107</u>
Total expenditures	<u>128,306</u>	<u>54,621</u>
Receipts over (under) expenditures	(100,623)	(15,921)
Unencumbered cash, beginning cash	<u>198,562</u>	<u>97,939</u>
Unencumbered cash, ending cash	<u>\$ 97,939</u>	<u>\$ 82,018</u>

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 2j

**CAPITAL PROJECTS
POLICE SPECIAL RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS**

For the Year Ended December 31, 2017

(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	<u>2016 Actual</u>	<u>2017 Actual</u>
Receipts		
Intergovernmental		
Grants	\$ <u>0</u>	\$ <u>0</u>
Total cash receipts	<u>0</u>	<u>0</u>
Expenditures		
Equipment	<u>0</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, beginning cash	<u>1</u>	<u>1</u>
Unencumbered cash, ending cash	\$ <u><u>1</u></u>	\$ <u><u>1</u></u>

See Independent Auditor's Report.

City of Carbondale, Kansas**Schedule 2k**

CAPITAL PROJECTS
COMMUNITY DEVELOPMENT BLOCK GRANT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	<u>2016</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Receipts		
Intergovernmental		
Grants	\$ 157,478	\$ 242,040
Total cash receipts	<u>157,478</u>	<u>242,040</u>
Expenditures		
City Park Maintenance and Repairs	107,478	242,040
Transfers Out	<u>50,000</u>	<u>0</u>
Total expenditures	<u>157,478</u>	<u>242,040</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, beginning cash	<u>1</u>	<u>1</u>
Unencumbered cash, ending cash	<u>\$ 1</u>	<u>\$ 1</u>

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 21

CAPITAL PROJECTS
WATER REPLACEMENT RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	<u>2016</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Receipts		
Use of money and property		
Interest on idle funds	\$ 985	\$ 751
Operating transfers		
Transfers in	<u>10,000</u>	<u>15,000</u>
Total cash receipts	<u>10,985</u>	<u>15,751</u>
Expenditures		
Contractual	<u>4,178</u>	<u>8,736</u>
Total expenditures	<u>4,178</u>	<u>8,736</u>
Receipts over (under) expenditures	<u>6,807</u>	<u>7,015</u>
Unencumbered cash, beginning cash	263,964	270,771
Unencumbered cash, beginning cash - restated	<u>263,964</u>	<u>270,771</u>
Unencumbered cash, ending cash	\$ <u><u>270,771</u></u>	\$ <u><u>277,786</u></u>

City of Carbondale, Kansas**Schedule 2m**

CAPITAL PROJECTS
SEWER REPLACEMENT RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	<u>2016</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Receipts		
Intergovernmental		
Loans	\$ 587,517	\$ 107,574
Use of money and property		
Interest on idle funds	595	291
Transfers In	<u>42,270</u>	<u>50,000</u>
Total cash receipts	<u>630,382</u>	<u>157,865</u>
Expenditures		
Contractual	<u>256,114</u>	<u>100,466</u>
Total expenditures	<u>256,114</u>	<u>100,466</u>
Receipts over (under) expenditures	374,268	57,399
Unencumbered cash, beginning cash	<u>(199,590)</u>	<u>174,678</u>
Unencumbered cash, ending cash	<u>\$ 174,678</u>	<u>\$ 232,077</u>

City of Carbondale, Kansas**Schedule 2n**

CAPITAL PROJECTS
STREET RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	<u>2016 Actual</u>	<u>2017 Actual</u>
Receipts		
Use of money and property		
Interest on idle funds	\$ 345	\$ 151
Operating transfers		
Transfers in	<u>10,000</u>	<u>12,500</u>
Total cash receipts	<u>10,345</u>	<u>12,651</u>
Expenditures		
Contractual	<u>0</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	10,345	12,651
Unencumbered cash, beginning cash	<u>90,014</u>	<u>100,359</u>
Unencumbered cash, ending cash	<u>\$ 100,359</u>	<u>\$ 113,010</u>

City of Carbondale, Kansas**Schedule 2o**

CAPITAL PROJECTS
WATER FUND GRANTS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	<u>2016 Actual</u>	<u>2017 Actual</u>
Receipts		
Operating transfers		
Transfers in	\$ 0	\$ 0
Total cash receipts	<u>0</u>	<u>0</u>
Expenditures		
Contractual	<u>0</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, beginning cash	<u>15</u>	<u>15</u>
Unencumbered cash, ending cash	<u><u>\$ 15</u></u>	<u><u>\$ 15</u></u>

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 2p

CAPITAL PROJECTS
SWIMMING POOL BOND RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	<u>2016</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Receipts		
Use of money and property		
Interest on idle funds	\$ 474	\$ 186
Operating transfers		
Transfers in	<u>0</u>	<u>10,000</u>
Total cash receipts	<u>474</u>	<u>10,186</u>
Expenditures		
Contractual	<u>0</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	474	10,186
Unencumbered cash, beginning cash	<u>123,658</u>	<u>124,132</u>
Unencumbered cash, ending cash	\$ <u><u>124,132</u></u>	\$ <u><u>134,318</u></u>

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 2q

BUSINESS FUNDS
WATER
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

		2017		
	2016			Variance
	Actual	Actual	Budget	Over
				(Under)
Receipts				
Fees				
Charges for services	\$ 532,659	\$ 541,862	\$ 537,432	\$ 4,430
Bulk sales	3,094	2,231	3,300	(1,069)
Connection and late fees	16,874	17,681	17,205	476
Sales tax	883	904	2,310	(1,406)
Miscellaneous	0	85	100	(15)
Total fees	<u>553,510</u>	<u>562,763</u>	<u>560,347</u>	<u>2,416</u>
Use of money and property				
Interest on idle funds	1,451	520	630	(110)
Reimbursed expenses	<u>2,122</u>	<u>2,697</u>	<u>612</u>	<u>2,085</u>
Total receipts	<u>557,083</u>	<u>565,980</u>	<u>\$ 561,589</u>	<u>\$ 4,391</u>
Expenditures				
Operations				
Wages	79,741	83,504	\$ 118,400	\$ (34,896)
Administrative				
Administrative expense	1,956	3,208	2,050	1,158
Lab	0	0	1,800	(1,800)
Insurance	24,043	24,897	27,515	(2,618)
Auditor	2,771	1,656	3,111	(1,455)
Legal	168	64	403	(339)
Returned checks	1,646	2,567	1,198	1,369
Sales tax and WPF Payments	3,062	2,512	3,221	(709)
Distribution				
Supplies	2,098	1,639	0	1,639
Postage	3,989	3,338	0	3,338
Equipment	2,176	2,458	0	2,458
Contractual	12,538	16,588	0	16,588
Maintenance	4,155	570	0	570
Plant				
Maintenance	464	2,192	4,932	(2,740)
Equipment	6,592	117	12,870	(12,753)
Chemicals	31,948	37,681	38,605	(924)
Supply	3,949	3,746	7,222	(3,476)
Contractual	12,090	3,178	3,800	(622)
Utilities	33,480	39,909	39,167	742
Capital outlay and repair	43,413	58,385	217,044	(158,659)
Fuel	3,015	1,641	3,837	(2,196)
Vehicle	1,424	2,110	6,647	(4,537)

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 2g

BUSINESS FUNDS

WATER

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	2017			Variance Over (Under)
	2016 Actual	Actual	Budget	
Expenditures - continued				
Uniform	\$ 643	\$ 317	\$ 750	\$ (433)
Training	1,699	469	1,000	(531)
Propane	3,733	1,294	4,888	(3,594)
Miscellaneous	1,130	385	0	385
Total operations	281,923	294,425	498,460	(204,035)
Non- operating				
Principal and interest	285,000	291,291	291,291	0
Transfers out	10,000	15,000	15,000	0
Total non-operating	295,000	306,291	306,291	0
Total expenditures	576,923	600,716	\$ 804,751	\$ (204,035)
Receipts over (under) expenditures	(19,840)	(34,736)		
Unencumbered cash, beginning cash	288,963	269,123		
Unencumbered cash, ending cash	\$ 269,123	\$ 234,387		

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 2r

BUSINESS FUNDS

SEWER

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

		2017		
	2016			Variance
	Actual	Actual	Budget	Over (Under)
Receipts				
Fees				
Charges for services	\$ 174,575	\$ 179,118	\$ 182,212	\$ (3,094)
Total fees	174,575	179,118	182,212	(3,094)
Use of money and property				
Interest on idle funds	557	242	680	(438)
Reimbursed expenses	14,913	0	1,000	(1,000)
Total receipts	<u>190,045</u>	<u>179,360</u>	<u>\$ 183,892</u>	<u>\$ (6,626)</u>
Expenditures				
Operations				
Salaries	36,228	38,529	\$ 52,672	\$ (14,143)
Insurance	6,334	9,245	8,108	1,137
Contractual	1,520	1,639	14,208	(12,569)
Auditor	556	1,656	912	744
Legal	24	88	88	0
Capital outlay and repairs	1,269	894	777	117
Supply	508	171	1,676	(1,505)
Utilities	6,530	6,555	6,771	(216)
Equipment	335	0	4,191	(4,191)
Maintenance	1,685	0	1,456	(1,456)
Vehicle	1,002	1,082	1,326	(244)
Uniforms	855	747	750	(3)
Fuel	1,395	1,999	2,460	(461)
Propane	0	0	2,552	(2,552)
Training	315	588	0	588
Miscellaneous	505	482	0	482
Total operations	<u>59,061</u>	<u>63,675</u>	<u>97,947</u>	<u>(34,272)</u>
Non- operating				
Principal and interest	29,902	23,074	23,074	0
Replacement project 2014	42,117	63,688	110,359	(46,671)
Transfers out	42,270	50,000	50,000	0
Total non-operating	<u>114,289</u>	<u>136,762</u>	<u>183,433</u>	<u>(46,671)</u>
Total expenditures	<u>173,350</u>	<u>200,437</u>	<u>\$ 281,380</u>	<u>\$ (80,943)</u>

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 2r

BUSINESS FUNDS

SEWER

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

		<u>2017</u>		<u>Variance Over (Under)</u>
	<u>2016 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Receipts over (under) expenditures	\$ 16,695	\$ (21,077)		
Unencumbered cash, beginning cash	<u>169,282</u>	<u>185,977</u>		
Unencumbered cash, ending cash	\$ <u><u>185,977</u></u>	\$ <u><u>164,900</u></u>		

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 2s

BUSINESS FUNDS

TRASH

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

		<u>2017</u>		
	<u>2016</u>			Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Receipts				
Fees				
Charges for services	\$ 72,623	\$ 74,052	\$ 74,784	\$ (732)
Use of money and property				
Interest on idle funds	<u>122</u>	<u>52</u>	<u>75</u>	<u>(23)</u>
Total receipts	<u>72,745</u>	<u>74,104</u>	<u>\$ 74,859</u>	<u>\$ (755)</u>
Expenditures				
Operations				
Contractual services	<u>71,631</u>	<u>73,534</u>	<u>\$ 102,429</u>	<u>\$ (28,895)</u>
Total expenditures	<u>71,631</u>	<u>73,534</u>	<u>\$ 102,429</u>	<u>\$ (28,895)</u>
Receipts over (under) expenditures	1,114	570		
Unencumbered cash, January 1	<u>24,323</u>	<u>25,437</u>		
Unencumbered cash, December 31	\$ <u>25,437</u>	\$ <u>26,007</u>		

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 2t

RELATED MUNICIPAL ENTITY
LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	2016	2017
	Actual	Actual
Receipts		
Appropriations	\$ 41,328	\$ 49,704
Northeast Kansas Library System	16,746	7,961
Kansas	441	0
Summer Reading	(15)	0
Fines and Fees	0	40
Miscellaneous	1,683	3,778
Programs and Events	1,050	0
Donations	4,793	1,122
Transfers in	6,755	24,013
Interest	91	51
	<hr/>	<hr/>
Total receipts	72,872	86,669
	<hr/>	<hr/>
Expenditures		
Payroll and payroll taxes	38,532	43,954
Workmen's compensation	110	0
Bond fee	0	100
Summer reading	1,047	1,039
Telephone	3,748	1,319
Postage and delivery	101	105
Mileage	622	1,028
Education	40	437
Dues and subscriptions	0	45
Books	7,378	7,476
Internet	1,062	0
KOHA	675	675
Courier	250	250
Office supplies	2,939	3,248
Office equipment	550	0
AT&T	0	3,991
New building	1,950	0
Building fund	5,500	22,976
Insurance	241	0
Transfers out	2,755	0
Miscellaneous	456	2,729
	<hr/>	<hr/>
Total expenditures	67,956	89,372
	<hr/>	<hr/>
Receipts over (under) expenditures	4,916	(2,703)
	<hr/>	<hr/>
Unencumbered cash, beginning cash	24,818	29,734
	<hr/>	<hr/>
Unencumbered cash, ending cash	\$ 29,734	\$ 27,031
	<hr/>	<hr/>

See Independent Auditor's Report.

City of Carbondale, Kansas**Schedule 2u**

RELATED MUNICIPAL ENTITY
LIBRARY BUILDING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	2016	2017
	<u>Actual</u>	<u>Actual</u>
Receipts		
Donations	\$ 1,500	\$ 202,538
Fundraisers	2,830	17,566
Interest	<u>198</u>	<u>415</u>
 Total receipts	 <u>4,528</u>	 <u>220,519</u>
 Expenditures		
Fundraiser expenses	805	2,046
Consultation fees	1,950	17,314
Transfers out	<u>4,000</u>	<u>24,013</u>
 Total expenditures	 <u>6,755</u>	 <u>43,373</u>
 Receipts over (under) expenditures	 (2,227)	 177,146
 Unencumbered cash, beginning cash	 <u>52,466</u>	 <u>50,239</u>
 Unencumbered cash, ending cash	 <u><u>\$ 50,239</u></u>	 <u><u>\$ 227,385</u></u>

See Independent Auditor's Report.

City of Carbondale, Kansas

Schedule 2v

RELATED MUNICIPAL ENTITY
RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual totals for the Prior Year Ended December 31, 2016)

	2016	2017
	<u>Actual</u>	<u>Actual</u>
Receipts		
Appropriations	\$ 25,607	\$ 26,912
Pool fees	24,518	22,169
Registration fees	23,606	20,888
Miscellaneous	870	431
Reimbursement and collections	72	290
Interest	<u>73</u>	<u>22</u>
Total receipts	<u>74,746</u>	<u>70,712</u>
Expenditures		
Personnel	29,282	23,641
Commodities	40,305	32,249
General expenses	11,329	10,279
Payroll taxes	<u>2,293</u>	<u>2,304</u>
Total expenditures	<u>83,209</u>	<u>68,473</u>
Receipts over (under) expenditures	(8,463)	2,239
Unencumbered cash, beginning cash	<u>12,572</u>	<u>4,109</u>
Unencumbered cash, ending cash	<u><u>\$ 4,109</u></u>	<u><u>\$ 6,348</u></u>

See Independent Auditor's Report.